

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6983

BILL NUMBER: HB 1203

NOTE PREPARED: Jan 10, 2004

BILL AMENDED:

SUBJECT: Coal mine reclamation permit bonds.

FIRST AUTHOR: Rep. Frenz

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill authorizes the director of the Department of Natural Resources (DNR) to (1) initiate an application for the release of a reclamation plan performance bond; and (2) require operators to withdraw from the surface coal mine reclamation bond pool under certain circumstances. The bill allows a mine operator to withdraw from the bond pool upon replacing bond pool liability with bonds acceptable under the surface coal mining and reclamation bonding law.

Effective Date: July 1, 2004.

Explanation of State Expenditures: The bill authorizes the director of the DNR to initiate bond release. If this were done, the Department would undertake the notification and certification requirements of the permittee. The director would also have the authority to require an operator to replace bond pool surety with conventional surety if final release has not been obtained in a timely manner. The director could also withdraw or suspend an operator from the bond pool if that operator did not provide conventional surety on areas to be removed from the bond pool. Also, an operator would no longer be required to keep an area in the bond pool if that operator replaced the bond pool surety with conventional surety.

With respect to the fiscal impact, the workload of the employees of the DNR Division of Reclamation would be affected, although the addition of staff or equipment should not be required and is not anticipated. Administrative expenses for the DNR would increase; however, the DNR should be able to absorb any additional costs given its current budget and resources.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected:

Information Sources: Robert Stum, DNR Division of Reclamation, (317) 232-1562

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